

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA

TESSERA, INC.,

No. C 05-4063 CW

Plaintiff,

OPPORTUNITY TO
SHOW CAUSE WHY A
COURT-APPOINTED
EXPERT SHOULD NOT
BE APPOINTED

v.

ADVANCED MICRO DEVICES, INC., a
Delaware corporation; SPANSION,
LLC, a Delaware limited liability
corporation; SPANSION, INC., a
Delaware corporation; SPANSION
TECHNOLOGY, INC., a Delaware
corporation; ADVANCED
SEMICONDUCTOR ENGINEERING, INC.,
a Republic of China corporation;
ASE (U.S.), INC., a California
corporation; CHIPMOS
TECHNOLOGIES, INC., a Republic of
China corporation; CHIPMOS
U.S.A., INC., a California
corporation; SILICONWARE
PRECISION INDUSTRIES CO., LTD., a
Republic of China corporation;
SILICONWARE USA, INC., a
California corporation;
STMICROELECTRONICS N.V., a
Netherlands corporation;
STMICROELECTRONICS, INC., a
Delaware corporation; STATS
CHIPPAC, INC., a Delaware
corporation; STATS CHIPPAC (BVI),
INC., a British Virgin Islands
company; STATS CHIPPAC, LTD., a
Singapore company,

Defendants.

SILICONWARE PRECISION INDUSTRIES
CO, LTD; SILICONWARE U.S.A.,
INC.,

No. C 08-3667 CW

Plaintiffs,

v.

TESSERA, INC.,

Defendant.

1 CHIPMOS TECHNOLOGIES, INC.;
2 CHIPMOS U.S.A., INC.; CHIPMOS
3 TECHNOLOGIES (BERMUDA), LTD.,

No. C 08-3827 CW

4 Plaintiffs,

5 v.

6 TESSERA, INC.,

7 Defendant.
8 _____/

9 ADVANCED SEMICONDUCTOR
10 ENGINEERING, INC.; ASE TEST
11 LIMITED; ASE (U.S.), INC.,

No. C 08-3726 CW

12 Plaintiffs,

13 v.

14 TESSERA, INC.,

15 Defendant.
16 _____/

17 SPANSION, INC., et al.,

No. C 10-4954 CW

18 Plaintiffs,

19 v.

20 TESSERA, INC.,

21 Claimant.
22 _____/

23 POWERTECH TECHNOLOGY INC.,

No. C 10-945 CW

24 Plaintiff,

25 v.

26 TESSERA, INC.,

27 Defendant.
28 _____/

POWERTECH TECHNOLOGY INC.,

No. C 11-6121 CW

Plaintiff,

v.

TESSERA, INC.,

Defendant.

TESSERA, INC.,

No. C 12-692 CW

Plaintiff,

v.

QUALCOMM, INC.; FREESCALE
SEMICONDUCTOR, INC.; ATI
TECHNOLOGIES, ULC,

Defendants.

AND ALL RELATED COUNTERCLAIMS

The Court provides certain parties in the above-captioned cases with an opportunity to show cause why an expert witness should not be appointed by the Court to testify to the jury.

On October 7, 2005, Tessera, Inc. filed a complaint against various Defendants in Tessera, Inc. v. Advanced Micro Devices, Inc., Case No. 05-4063 (AMD). Tessera asserts claims for infringement of five related patents, U.S. Patent Nos. 5,679,977, 5,852,326, 6,133,627, 6,433,419, and 6,465,893, pertaining to semiconductor chip assemblies, and for breach of license agreements by certain Defendants. Several Defendants have asserted counterclaims for declaratory judgment of non-infringement and invalidity of the patents.

1 On March 13, 2007, pursuant to Federal Rule of Evidence 706,
2 the Court ordered the parties in Tessera, Inc. v. Advanced Micro
3 Devices, Inc., Case No. 05-4063 (AMD), to show cause why an expert
4 witness should not be appointed by the Court to show testify to
5 the jury in the case. See AMD, Docket No. 402.

6 On April 12, 2007, after having considered the parties'
7 submission, the Court determined that it would appoint an expert,
8 who would testify on the background of the technology at issue as
9 well as the substantive issues in dispute, such as infringement
10 and validity, but would not testify as to damages. See AMD,
11 Docket No. 439.

12 Shortly thereafter, the AMD case was stayed pending the
13 resolution of several investigations initiated by the United
14 States International Trade Commission (ITC). Specifically, on May
15 24, 2007, the parties stipulated to, and this Court ordered, a
16 stay of the AMD case in its entirety pending the final
17 determination of the ITC in Investigation No. 337-TA-605, which
18 involved two of the patents in the AMD case. See AMD, Docket No.
19 466. A year later, in May 2008, the ITC initiated Investigation
20 No. 337-TA-649, regarding infringement of multiple patents,
21 including three of the patents at issue in the AMD case. On
22 August 5, 2008, the Court extended the stay in the AMD case
23 pending final determination of the 649 Investigation.

24 While the AMD case was stayed, a number of later filed
25 actions were related to it, many of which were also subsequently
26 stayed.

27 On September 11, 2008, this Court issued an order relating to
28 the AMD action three cases: Siliconware Precision Industries Co.,

1 Ltd. et al. v. Tessera, Inc., Case No. 08-03667 (the Siliconware
2 case); Advanced Semiconductor Engineering Inc. et al. v. Tessera,
3 Inc., Case No. 08-03726; and ChipMos Technologies Inc. et al. v.
4 Tessera, Inc., Case No. 08-03827. The plaintiffs in these cases
5 are either defendants in the AMD case or affiliated with
6 defendants in the AMD case, and they seek declaratory judgments of
7 non-infringement and invalidity of the 5,663,106 patent (the '106
8 patent), another patent at issue in the later 649 Investigation.
9 On December 19, 2008, the parties stipulated to, and the Court
10 ordered, a stay of these cases in light of the 649 Investigation.

11 The 649 Investigation was terminated on August 7, 2009. The
12 parties to the three later cases stipulated to continue the stay
13 in these cases pending resolution of the 605 Investigation to
14 allow the related cases to proceed together.

15 On March 22, 2010, the Court issued an order relating
16 Powertech Technology, Inc. v. Tessera, Inc. (PTI I), Case No. 10-
17 945, to the Siliconware case. In that case, PTI, a licensee of
18 Tessera, also sought declarations of non-infringement and
19 invalidity of the '106 patent. In June 2010, this Court dismissed
20 the action for lack of subject matter jurisdiction, finding no
21 Article III case or controversy between the parties. Powertech
22 Technology, Inc. v. Tessera, Inc., 2010 U.S. Dist. Lexis 53621, at
23 *7-8 (N.D. Cal.).

24 On November 10, 2010, this Court issued an order relating to
25 the AMD case Spansion Inc. v. Tessera Inc., Case No. 10-4954, a
26 bankruptcy dispute involving Tessera and several Defendants in the
27 AMD action.
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1 On September 30, 2011, the Federal Circuit reversed this
2 Court's dismissal in PTI I, finding that a controversy did exist
3 between the parties, and remanded the case to this Court for
4 further proceedings. Powertech Technology, Inc. v. Tessera, Inc.,
5 660 F.3d 1301 (Fed. Cir. 2011). The mandate issued on January 19,
6 2012.

7 Meanwhile, on November 28, 2011, the 605 Investigation
8 reached a final resolution when the Supreme Court denied the
9 respondents' petition for a writ of certiorari.

10 On December 6, 2011, PTI filed a second action against
11 Tessera, Powertech Technology, Inc. v. Tessera, Inc. (PTI II),
12 Case No. 11-6121, alleging that Tessera had breached the license
13 agreement between the parties by bringing ITC Investigation No.
14 337-TA-630 against certain of PTI's customers. On December 15,
15 2011, upon motion by PTI, the Court issued an order relating PTI
16 II to PTI I.

17 On January 4, 2012, the Court held a case management
18 conference in all of the related cases. The Court lifted the stay
19 as to those cases that had been stayed and directed the parties to
20 meet and confer regarding the identity of a court-appointed
21 expert. However, the Court at that time did not provide the newly
22 joined parties with a formal opportunity pursuant to Federal Rule
23 of Evidence 706 to show cause why an expert should not be
24 appointed. Thus, the Court does so now.

25 On February 29, 2012, this Court issued an order relating to
26 the AMD case Tessera, Inc. v. Motorola, Inc., Case No. 12-692, a
27 case that had been recently transferred from the Eastern District
28 of Texas, which involved invalidity and infringement contentions

1 regarding two of the patents in the AMD case and which had also
2 been previously stayed pending resolution of the 605
3 Investigation. The parties had stipulated to transfer the action
4 to this district to be related to the AMD case. Counsel for
5 Tessera and two of three Defendants in this case were present at
6 the January 4, 2012 case management conference. These Defendants
7 as well are given the opportunity to show cause why an expert
8 should not be appointed.

9 Having presided over matters involving the same and related
10 patents and technology, the Court believes that the complexity of
11 the technology at issue in this case will be particularly
12 difficult and confusing for the jury to understand. Further,
13 given the stark conflicts in the parties' extensive litigation
14 before the ITC, the Court reasonably anticipates that expert
15 advice will be necessary to assist in resolving differences
16 between the parties' experts.

17 For these reasons, the Court is inclined to appoint the
18 expert selected to serve in the AMD case to serve in all the
19 related cases. The expert will advise the Court on claim
20 construction. He will also advise the Court and ultimately
21 testify to the jury on the background of the technology at issue
22 as well as the substantive issues in dispute, such as infringement
23 and validity, although not on damages. The Court does not
24 consider it prudent to delay in appointing an expert on these
25 issues, as one party has suggested. Given the complexity of this
26 litigation and the number of parties and claims involved, the
27 Court believes it necessary to allow a substantial amount of time
28 for the expert to prepare a report and for the parties to depose

1 the expert. Waiting to appoint an expert until after the
2 parties' expert reports are submitted to the Court would lead to
3 substantial delay in the future. The Court will give the parties
4 an opportunity prior to trial to move to disallow the introduction
5 of the appointed expert's testimony to the jury on the ultimate
6 issues of infringement and invalidity, should it become apparent
7 that the parties' experts have not provided confusing and
8 conflicting evidence and the expert's testimony is not needed.

9 Accordingly, the Court will allow the parties in the
10 above-captioned cases other than the AMD case, who are not also
11 party to the AMD action, an opportunity to show cause why the
12 Court should not appoint its expert in all of the above-captioned
13 actions as well as in the AMD case. These parties may respond
14 within five days of the date of this Order. Submissions are
15 limited to five pages or less and shall not include any argument
16 addressing the identity or selection of the expert.

17 IT IS SO ORDERED.

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19 Dated: 3/26/2012

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CLAUDIA WILKEN
United States District Judge